

# Congress of the United States

## Washington, DC 20515

March 30<sup>th</sup>, 2022

The Honorable Nancy Pelosi  
Speaker of the House  
H-232, The Capitol  
Washington, DC 20515

The Honorable Steny Hoyer  
Majority Leader  
H-107, The Capitol  
Washington, DC 20515

Dear Speaker Pelosi and Leader Hoyer,

As the House continues to pursue solutions to lower consumer gas prices, we have seen numerous policy proposals with the goal of providing immediate relief to our constituents. A rebate to consumers is among the best and most efficient tools we have to put more money back in the hands of Americans struggling to make ends meet in the face of high gas prices.

As we continue to study the most appropriate rebate mechanism, we encourage you to consider repealing some of the hundreds of billions in direct and indirect subsidies to oil and gas companies as a pay-for for the rebate to raise tens of billions in revenue to lessen the pain American families feel at the pump.

Big Oil's profiteering has hit a new high as they continue to hit record profits and take advantage of the tragic situation in Ukraine. Data from the past 15 years illustrate that 2021 was the highest year on record for dividend payouts from integrated oil companies based here in the United States, with companies like Exxon and Chevron averaging payouts of close to \$12.5 billion<sup>1</sup>. The ability of these companies to pay out colossal dividends last year is evidence of how well oil and gas companies continue to perform in the market.

A recent analysis by Accountable.US found that oil and gas company giants Shell, Chevron, BP, and Exxon posted record profits last year totaling \$75 billion while American consumers struggled to pay their heating bills and fill up their gas tanks. Combined, the four companies raked in \$24.4 billion in quarter four of 2021, bringing their total profits for last year to over \$75.5 billion. Chevron, Shell, BP, and Exxon used these bloated profits to shower billions onto their shareholders – including their wealthy executives whose salaries are heavily padded with stock options.<sup>2</sup> The record profits enjoyed by oil companies are proof that oil and gas producers

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<sup>1</sup> Bloomberg L.P., "Oil Companies Net Income, Dividends Paid, Repurchase of Common Stock" *Bloomberg* 2022.

<sup>2</sup> "Big Oil Companies Net \$75 Billion While Consumers Struggle", Accountable.US, February 9, 2022  
<https://www.accountable.us/news/big-oil-companies-net-75-billion-in-profit-while-americans-struggle-to-heat-homes-fill-gas-tanks/>

can operate effectively in the market without government assistance. The money spent on unnecessary subsidies could be far better spent on efforts to shield the American people from the consequences of Putin's war against the Ukrainian people.

On March 26, 2021, the four signatories to this letter introduced H.R. 2184, the *End Oil and Gas Tax Subsidies Act*, which would eliminate nearly a dozen of the most egregious tax breaks enjoyed by the industry. The proposed eliminated subsidies account for billions in tax breaks annually, undermining our nation's ability to invest in renewable energy sources and damaging our environment. Fossil fuel companies may complain that subsidies are needed to keep prices down, but gas markets are global and a direct rebate would provide far more significant relief to our struggling constituents. Additionally, eliminating the subsidies would have the added benefit of preparing our country for a cleaner, safer, and cheaper green energy future which will prevent situations like this from happening again.

The League of Conservation Voters and Climate Power recently found that 61% of Americans say that America's continued dependence on oil is a major cause of rising gasoline prices today, and a similar majority want the President and Congress to take action to reduce our dependence on oil.<sup>3</sup> By ending subsidies to oil and gas producers, not only will we help American families who are hurting as a result of energy price inflation, but we will also set our country on a path towards true energy independence.

Thank you for the consideration,



Sean Casten  
Member of Congress



Earl Blumenauer  
Member of Congress



A. Donald McEachin  
Member of Congress



Katie Porter  
Member of Congress

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<sup>3</sup> "Connecting with Voters on Gas Prices", Climate Power, March 15, 2022  
<https://climatepower.us/wp-content/uploads/sites/23/2022/03/Garin-Costs-and-Clean-Energy-Memo.pdf>